

THE HONORABLE BARBARA J. ROTHSTEIN

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

MARTIN LUTHER KING, JR.
COUNTY, et al.,

Plaintiffs,

v.

SCOTT TURNER in his official capacity
as Secretary of the U.S. Department of
Housing and Urban Development, et al.,

Defendants.

No. 2:25-cv-00814-BJR

SECOND SUPPLEMENTAL
DECLARATION OF SUNAREE
MARSHALL

I, SUNAREE MARSHALL, declare as follows:

1. I am over the age of eighteen, competent to testify, and make this declaration based on my personal knowledge and on my review of relevant business records.

2. On May 15, 2025, I reviewed Defendants' Opposition to Plaintiffs' Motion for a Preliminary Injunction (Opposition) and the Declaration of Claudette Fernandez in Support of United States' Response in Opposition to Motion for Preliminary Injunction (Fernandez Declaration). Dkt ## 55, 56. I disagree with several of the U.S. Department of Housing and Urban Development's (HUD) contentions in these documents.

3. As an initial matter, I disagree with HUD that projects can continue to operate using funds from the FY 2023 grants as a result of millions of dollars of funding remaining from

1 those grants. See Dkt. #55 at 31; Dkt. #56 at 14–15. CoC awards are made on a project-by-
2 project basis pursuant to grant agreements which specify performance start and end dates. Grant
3 recipients can draw down awarded funds from HUD for a particular project for expenses
4 incurred during the performance period. But funds from the award are not available for costs
5 incurred after the end of the performance period, even if a balance remains.
6

7 4. Currently, King County has a balance of funds available from its FY 2023 CoC
8 awards. Attached hereto as Exhibit A is a true and correct copy of a table which shows the FY
9 2023 award amount for each of King County’s projects and the FY 2023 balance of funds.¹
10 These funds were made available to King County pursuant to 23 different contracts which all
11 have performance end dates in 2025. Seven of the FY 2023 award contracts already ended prior
12 to May 1, 2025. While a balance of \$673,000 remains under those seven contracts, King County
13 cannot draw down those funds for any costs incurred after the performance period ended. Rather,
14 King County can only claim funds for expenses incurred before the end date.
15

16 5. King County Department of Community & Human Services (DCHS) is currently
17 reviewing and processing invoices for the expenses incurred by sub-recipients before the
18 performance end dates. In reviewing the invoices and discussing anticipated invoices with sub-
19 recipients, King County has confirmed that King County’s sub-recipients have spent all of the
20 remaining funds from those seven contracts. Thus, even if King County had requested an
21 extension for FY 2023 awarded funds, as the Fernandez Declaration contends is an option, *see*
22 Dkt. #56 ¶ 10, there would have been nothing left of those seven awards from which to draw.
23

24 6. Further when King County recently requested an amendment within the 90-day
25

26 ¹ The table in the exhibit attached to the Fernandez Declaration provides confusing data. The “Awarded”
27 column of the table represents the FY 2024 award amounts, while the “Balance” provides the FY 2023
fund balance.

1 window after the close of an award period, as is consistent with prior practice, the Seattle HUD
2 field office communicated on May 6, 2025 that they had received recent guidance from HUD
3 Headquarters that they could not approve the specific request because it came after the grant
4 term had ended (April 30, 2025). Attached hereto as **Exhibit B** is a true and correct copy of the
5 email exchange with the Seattle HUD field office, forwarded to me by my colleague. The prior
6 restriction had been that amendments needed to be completed within 90 days of the end of the
7 grant term. King County has requested clarification from the HUD field office as to whether any
8 amendments can be executed after the end of the grant term. With this sudden change in practice,
9 which was not relayed to King County until after our inquiry, I question HUD's assertion that
10 extension requests will be granted, even if funds remain.
11

12 7. For FY 2024, HUD conditionally approved continuation of these seven projects,
13 among others. These seven programs provide 386 units of permanent supportive housing for
14 households who were experiencing chronic homelessness at the time they enrolled. Absent the
15 FY 2024 CoC funding, King County has no funds from HUD to draw down from for the
16 continuation of these seven projects because all of the FY 2023 funding has been expended. And
17 King County is not aware of any other funds it could draw from to replace the CoC funds
18 without negatively impacting other housing and homelessness programs. To my knowledge, CoC
19 rules do not allow grant recipients to transfer funds between projects. And even if it could
20 transfer these funds, King County would not have enough funds left over to support the projects
21 from which the funds were transferred. King County estimates that providers for these seven
22 projects will have incurred approximately \$708,000 in reliance on the FY 2024 awards by the
23 end of May. This number will increase significantly as the year progresses and additional
24 projects come to the end of the FY 2023 award performance period.
25
26
27

1 8. Meanwhile, King County is steadily drawing down funds for those FY 2023
2 contracts with performance period end dates later in 2025. For example, the largest FY 2023
3 award was for the King County Shelter Plus Care Program—TRA, which provides tenant-based
4 rental assistance funds. The initial award was in the amount of \$9.9 million dollars. Currently,
5 there are only about \$2 million remaining. And those remaining funds are only available through
6 the end of June 2025, necessitating the launch of a renewal contract with HUD for FY 2024 CoC
7 funds. This program requires the timely payment of rental assistance for units in the private
8 market using CoC funds on July 1, 2025. Without these payments, hundreds of households will
9 be at risk of eviction.
10

11 9. I also disagree with the HUD's statement that Plaintiffs do not face a 45-day
12 deadline to certify their HUD grant agreements or risk losing funding. Dkt. #55 at 31. As I
13 explained in my initial declaration, after HUD reviews grant applications, it announces awards
14 and notifies grant recipients of any conditions on the award. Pursuant to HUD's regulations,
15 grant recipients must satisfy any such conditions before executing a grant agreement. The
16 recipient and HUD then execute the agreement no later than 45 days from the date that the
17 conditions are met.
18

19 10. Due to the urgent need for the FY 2024 funds, and after this Court entered the
20 temporary restraining order (TRO), on May 9, 2025, King County signed seven FY 2024 grant
21 agreements, crossing out the restrained conditions on these funds. King County signed the FY
22 2024 grant agreements on May 9 not only because it needs to begin to draw down these funds
23 immediately but because it is unclear to King County if HUD will determine the funds forfeited
24 unless the grant agreements are executed within 45 days. As of the date of this declaration,
25 despite the signed agreements, HUD has not granted King County access to draw down these
26
27

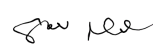
1 funds.

2 11. In sum, King County needs the FY 2024 CoC funds, and it needs them
3 immediately to continue providing critical services to its vulnerable homeless population.
4

5 I declare under penalty of perjury that the foregoing is true and correct.

6
7 EXECUTED this 16th day of May, 2025.

DocuSigned by:



2CAD9718C2614E4...

SUNAREE MARSHALL

CERTIFICATE OF SERVICE

I hereby certify that on May 16, 2025, I served a true and correct copy of the foregoing document on the following parties by the method(s) indicated below:

| | |
|---|---|
| Brian C. Kipnis Annalisa L. Cravens Sarah L. Bishop Rebecca S. Cohen <i>Assistant United States Attorneys</i> Office of the United States Attorney 700 Stewart Street, Suite 5220 Seattle, WA 98101-1271 brian.kipnis@usdoj.gov annalisa.cravens@usdoj.gov sarah.bishop@usdoj.gov rebecca.cohen@usdoj.gov <i>Attorneys for Defendants Scott Turner, U.S. Dept. of Housing and Urban Development, Sean Duffy, U.S. Dept. of Transportation, Matthew Welbes, and the Federal Transit Administration</i> | <input checked="" type="checkbox"/> CM/ECF E-service <input type="checkbox"/> Email <input type="checkbox"/> U.S. Mail <input type="checkbox"/> Certified Mail / Return Receipt Requested <input type="checkbox"/> Hand delivery / Personal service |
|---|---|

I declare under penalty of perjury under the laws of the United States and the State of Washington that the foregoing is true and correct.

DATED this 16th day of May, 2025.

/s/ Gabriela DeGregorio

Gabriela DeGregorio
 Litigation Assistant
 Pacifica Law Group LLP

EXHIBIT A

King County FY 2023 CoC Awards

| Applicant name | Project Name | Grant Number | Awarded | Expiration Date | Balance | Balance in LOCCS | Unreimbursed Invoices in hand | Notes on Balance |
|-----------------|---|-----------------|----------------|-----------------|----------------|------------------|-------------------------------|---|
| King, County of | YWCA Supportive Housing | WA0045L0T002316 | \$231,080.00 | 1/31/2025 | \$0.00 | \$0.00 | 0 | |
| King, County of | Sandpoint Families Supportive Housing | WA0318L0T002308 | \$393,823.00 | 2/28/2025 | \$0.00 | \$0.00 | 0 | |
| King, County of | Ozanam House Consolidated PSH | WA0239L0T002313 | \$455,394.00 | 3/31/2025 | \$96,319.94 | \$96,319.94 | | Invoiced through February |
| | | | | | | | | Invoiced through February; |
| | | | | | | | | Final invoice to full draw down is under review |
| King, County of | Nyer Urness | WA0227L0T002310 | \$786,249.00 | 3/31/2025 | \$5,873.23 | \$67,482.59 | | |
| King, County of | Auburn Family PSH | WA0466L0T002304 | \$57,540.00 | 4/30/2025 | \$0.00 | \$0.00 | | |
| King, County of | DESC Clement Place Consolidated | WA0384L0T002305 | \$2,400,725.00 | 4/30/2025 | \$313,125.07 | \$313,125.07 | | Invoiced through March |
| King, County of | Williams Apartments | WA0244L0T002311 | \$758,070.00 | 4/30/2025 | \$160,627.14 | \$160,627.14 | | Invoiced through March |
| King, County of | DESC Bloomsdale* | WA0482L0T002100 | \$237,074.00 | 5/31/2025 | \$43,931.56 | \$43,931.56 | | Invoiced through March |
| | | | | | | | | Invoiced through June for rent |
| King, County of | King County Shelter Plus Care Program - TRA | WA0034L0T002316 | \$9,900,955.00 | 6/30/2025 | \$1,282,723.14 | \$2,097,515.51 | | and through April for other expenses |
| King, County of | Cascade Women's Supportive Housing | WA0364L0T002307 | \$116,182.00 | 6/30/2025 | \$35,707.58 | \$60,979.70 | | Invoiced through March |
| King, County of | Family Village Redmond PSH for Families | WA0320L0T002308 | \$125,201.00 | 6/30/2025 | \$24,744.76 | \$24,744.76 | | Invoiced through March |
| King, County of | Valley Cities Landing | WA0001L0T002314 | \$253,835.00 | 6/30/2025 | \$37,970.62 | \$37,970.62 | | Invoiced through February |
| | | | | | | | | \$19,504.22 draw on 5/15, to post on 5/16; Invoiced through April |
| King, County of | PHG 7th and Cherry | WA0344L0T002307 | \$265,297.00 | 7/31/2025 | \$54,517.49 | \$74,021.71 | | Invoiced through April |
| King, County of | Avalon Place | WA0228L0T002313 | \$54,361.00 | 7/31/2025 | \$357.56 | \$401.31 | | |
| King, County of | King County Consolidated Scattered Sites Supportive Housing | WA0297L0T002309 | \$8,778,090.00 | 7/31/2025 | \$2,637,804.80 | \$3,153,340.77 | | Five subrecipient agencies |
| King, County of | Scattered Site Leasing | WA0053L0T002316 | \$937,960.00 | 8/31/2025 | \$343,686.13 | \$343,683.13 | | Invoiced through March |
| | | | | | | | | Invoiced through June for rent |
| | | | | | | | | and through April for other expenses |
| King, County of | King County Shelter Plus Care Program - SRA | WA0033L0T002316 | \$1,783,730.00 | 8/31/2025 | \$991,278.71 | \$1,065,524.85 | | |
| King, County of | DESC Consolidated PSH Portfolio #1 | WA0345L0T002306 | \$4,589,135.00 | 9/30/2025 | \$2,444,000.86 | \$2,444,000.86 | | Invoiced through March |
| King, County of | Noel House at Bakhita Gardens | WA0213L0T002313 | \$253,047.00 | 9/30/2025 | \$208,460.07 | \$208,460.07 | | Invoiced through February |
| King, County of | DESC Consolidated PSH Portfolio #2 | WA0018L0T002316 | \$2,820,379.00 | 10/31/2025 | \$2,100,077.23 | \$2,100,077.23 | | Invoiced through February |
| King, County of | Thea Bowman Apartments | WA0390L0T002304 | \$207,656.00 | 11/30/2025 | \$158,094.85 | \$175,428.39 | | Invoiced through March |
| King, County of | Ronald Commons | WA0316L0T002308 | \$199,143.00 | 12/31/2025 | \$199,142.00 | \$199,142.00 | | |
| King, County of | Patrick Place | WA0259L0T002311 | \$182,238.00 | 12/31/2025 | \$200,755.17 | \$200,755.17 | | |

NOTE: The FY24 renewal project name is DESC Bloomsdale. The preceding award was the new project award from FY21.

NOTE: This project was missing from HUD's Exhibit A

| | Total Award | | Balance | LOCCS Balance |
|--|----------------|--|--------------|---------------|
| Sum for contracts ending on or before 5/1/2025 | \$5,082,881.00 | | \$575,945.38 | \$637,554.74 |
| Percent of Award | | | 11.33% | 12.54% |

\$61,609.36

King County FY 2024 CoC AwardsStart Date has
passed

| Applicant name | Project Name | Grant Number | Term | Awarded | Start Date | Expiration Date | Balance | Access in LOCCS | Average Monthly Cost | Anticipated Expenditures through April | Anticipated Expenditures through May | Notes on Balance |
|-----------------|---|------------------|------|-----------------|------------|-----------------|---------|-----------------|----------------------|--|--------------------------------------|---|
| King, County of | Thea Bowman Apartments | WA0390L0T002405 | | \$219,316.00 | 10/1/2025 | 11/30/2026 | | No | \$18,276.33 | | | |
| King, County of | King County Shelter Plus Care Program - TRA | WA0034L0T002417 | | \$12,690,045.00 | 7/1/2025 | 6/30/2026 | | No | \$1,057,503.75 | | | |
| King, County of | Scattered Site Leasing | WA0053L0T002417 | | \$1,020,232.00 | 9/1/2025 | 8/31/2026 | | No | \$85,019.33 | | | |
| King, County of | Cascade Women's Supportive Housing | WA0364L0T0023408 | | \$122,821.00 | 7/1/2025 | 6/30/2026 | | No | \$10,235.08 | | | |
| King, County of | PHG 7th and Cherry | WA0344L0T002408 | | \$280,403.00 | 8/1/2025 | 7/31/2026 | | No | \$23,366.92 | | | |
| King, County of | Family Village Redmond PSH for Families | WA0320L0T002409 | | \$134,012.00 | 7/1/2025 | 6/30/2026 | | No | \$11,167.67 | | | |
| King, County of | Avalon Place | WA0228L0T002414 | | \$59,125.00 | 8/1/2025 | 7/31/2026 | | No | \$4,927.08 | | | |
| King, County of | Auburn Family PSH | WA0466L0T002405 | | \$60,820.00 | 5/1/2025 | 4/30/2026 | | No | \$5,068.33 | | \$5,068.33 | |
| King, County of | DESC Clement Place Consolidated | WA0384L0T002406 | | \$2,593,929.00 | 5/1/2025 | 4/30/2026 | | No | \$216,160.75 | | \$216,160.75 | |
| King, County of | YWCA Supportive Housing | WA0045L0T002417 | | \$244,268.00 | 2/1/2025 | 1/31/2026 | | No | \$20,355.67 | \$61,067.00 | \$81,422.67 | |
| King, County of | DESC Consolidated PSH Portfolio #1 | WA0345L0T002407 | | \$4,973,604.00 | 10/1/2025 | 9/30/2026 | | No | \$414,467.00 | | | |
| King, County of | DESC Bloomsides* | WA0482L0T002401 | | \$250,010.00 | 6/1/2025 | 5/31/2026 | | No | \$20,834.17 | | | |
| King, County of | DESC Consolidated PSH Portfolio #2 | WA0018L0T002417 | | \$3,060,189.00 | 11/1/2025 | 10/31/2026 | | No | \$255,015.75 | | | |
| King, County of | Valley Cities Landing | WA0001L0T002415 | | \$276,080.00 | 7/1/2025 | 6/30/2026 | | No | \$23,006.67 | | | |
| King, County of | Ozanam House Consolidated PSH | WA0239L0T002414 | | \$531,986.00 | 4/1/2025 | 3/31/2026 | | No | \$44,332.17 | \$44,332.17 | \$88,664.33 | |
| King, County of | King County Consolidated Scattered Sites Supportive Housing | WA0297L0T002410 | | \$9,534,461.00 | 8/1/2025 | 7/31/2026 | | No | \$794,538.42 | | | |
| King, County of | Noel House at Bakhita Gardens | WA0213L0T002414 | | \$275,223.00 | 10/1/2025 | 9/30/2026 | | No | \$22,935.25 | | | |
| King, County of | Ronald Commons | WA0316L0T002409 | | \$214,056.00 | 1/1/2026 | 12/31/2026 | | No | \$17,838.00 | | | |
| King, County of | Sandpoint Families Supportive Housing | WA0318L0T002409 | | \$415,907.00 | 3/1/2025 | 2/28/2026 | | No | \$34,658.92 | \$69,317.83 | \$103,976.75 | |
| King, County of | Nyer Urness | WA0227L0T002411 | | \$854,070.00 | 4/1/2025 | 3/31/2026 | | No | \$71,172.50 | \$71,172.50 | \$142,345.00 | |
| King, County of | Patrick Place | WA0259L0T002412 | | \$219,802.00 | 1/1/2026 | 12/31/2026 | | No | \$18,316.83 | | | |
| King, County of | Williams Apartments | WA0244L0T002412 | | \$821,577.00 | 5/1/2025 | 4/30/2026 | | No | \$68,464.75 | | \$68,464.75 | |
| King, County of | King County Shelter Plus Care Program - SRA | | | | | | | | | | | NOTE: This project was consolidated with King County Shelter Plus Care Program - TRA in the FY24 competition with King County Shelter Plus Care Program - TRA named as the surviving award. |

EXHIBIT B

From: Sassorossi, Martha <msassoro@kingcounty.gov>
Sent: Friday, May 16, 2025 9:11 AM
To: Marshall, Sunaree
Subject: FW: <External Message> Time Sensitive: Amendment request for WA0384LOT002305 (Hobson and Clement Consolidated)

Martha Sassorossi (*she/her/hers*)
Manager, Housing & Supportive Services Program
King County Department of Community & Human Services
W: 206-263-0217



*The Homeless Housing Program is now the **Housing & Supportive Services Program** within the Housing & Community Development Division of King County's Department of Community & Human Services. The Homeless.Housing@KingCounty.gov email was retired April 30, 2024. The team's new general inbox is Housing.Services@KingCounty.gov.*

From: Ganz, Rachel S <Rachel.S.Ganz@hud.gov>
Sent: Tuesday, May 6, 2025 1:57 PM
To: Sassorossi, Martha <msassoro@kingcounty.gov>
Cc: Mejia, Cherry-ann <cmejia@kingcounty.gov>
Subject: RE: <External Message> Time Sensitive: Amendment request for WA0384LOT002305 (Hobson and Clement Consolidated)

[EXTERNAL Email Notice!] External communication is important to us. Be cautious of phishing attempts. Do not click or open suspicious links or attachments.

Hi Martha,

Unfortunately, we received recent guidance from Headquarters that we cannot do a one-time budget shift of more than 10% after the grant term has ended.

We can do an up to 10% shift, therefore, we could move up to \$9,689.89 out of admin into either services and/or operating.

Thank you!

Rachel Ganz
Senior Community Planning and Development Representative
U.S. Department of Housing and Urban Development
909 First Avenue, Suite 310
Seattle, WA 98104
206-220-5426
rachel.s.ganz@hud.gov

From: Sassorossi, Martha <msassoro@kingcounty.gov>
Sent: Monday, May 5, 2025 2:58 PM
To: Ganz, Rachel S <Rachel.S.Ganz@hud.gov>
Cc: Mejia, Cherry-ann <cmejia@kingcounty.gov>

Subject: <External Message> Time Sensitive: Amendment request for WA0384L0T002305 (Hobson and Clement Consolidated)

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Good afternoon Rachel,

King County is requesting a one-time budget shift of more than 10% for award WA0384L0T002305 (Hobson and Clement Place Consolidated), which ended on April 30, 2025.

King County requests a budget shift of \$23,000 from Administration Costs and moving \$10,000 to Operating and \$13,000 to Supportive Services for award WA0384L0T002305 (Hobson and Clement Place Consolidated). Tables for the current and requested budgets are included below. The shift would result in a new Administration budget total of \$73,899, a new Supportive Services budget total of \$484,375 and a new Operating budget total of \$1,842,451.

| Current Budget Table | |
|----------------------------|------------------------|
| Total Amount | \$ 2,400,725.00 |
| Supportive Services | \$471,375.00 |
| Operating | \$1,832,451.00 |
| Administration | \$96,899.00 |

| Requested Budget Table | |
|----------------------------|-----------------------|
| Total Amount | \$2,400,725.00 |
| Supportive Services | \$484,375.00 |
| Operating | \$1,842,451.00 |
| Administration | \$73,899.00 |

The request stems from the subrecipient's lower than expected administrative costs.

Please do not hesitate to reach out with any questions.

Thank you,
Martha

Martha Sassorossi (*she/her/hers*)
Manager, Housing & Supportive Services Program
King County Department of Community & Human Services
W: 206-263-0217



The Homeless Housing Program is now the **Housing & Supportive Services Program** within the Housing & Community Development Division of King County's Department of Community & Human Services. The Homeless.Housing@KingCounty.gov email was retired April 30, 2024. The team's new general inbox is Housing.Services@KingCounty.gov.